



# County of Los Angeles

## Budget Issues

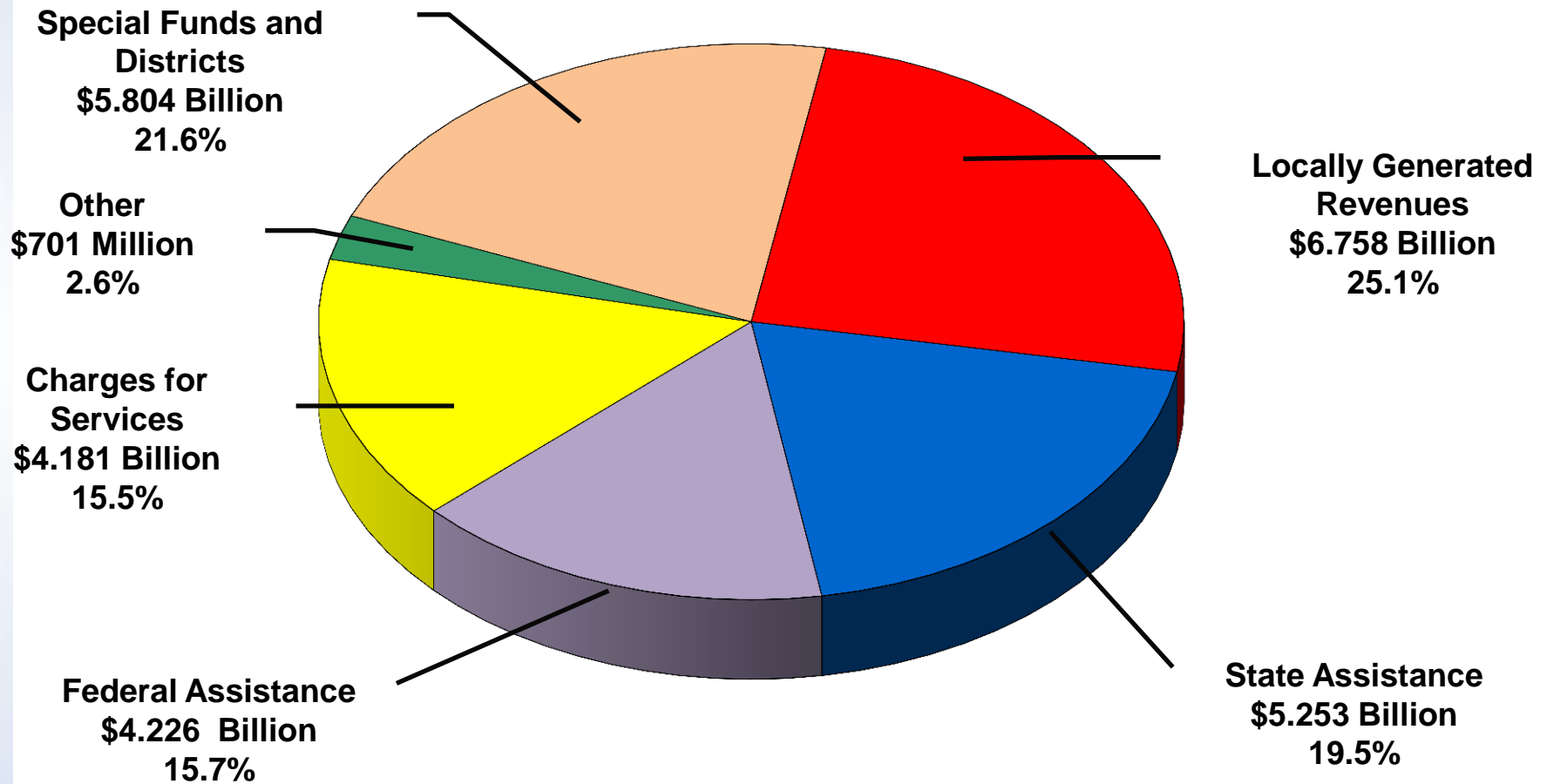
Presented by  
Sachi A. Hamai, Interim Chief Executive Officer

# Budget Issues

- ✓ Where do the Resources Come From?
- ✓ Where do the Resources Go?
- ✓ Future Budget Issues - Where are We Heading?

# Where do the Resources Come From?

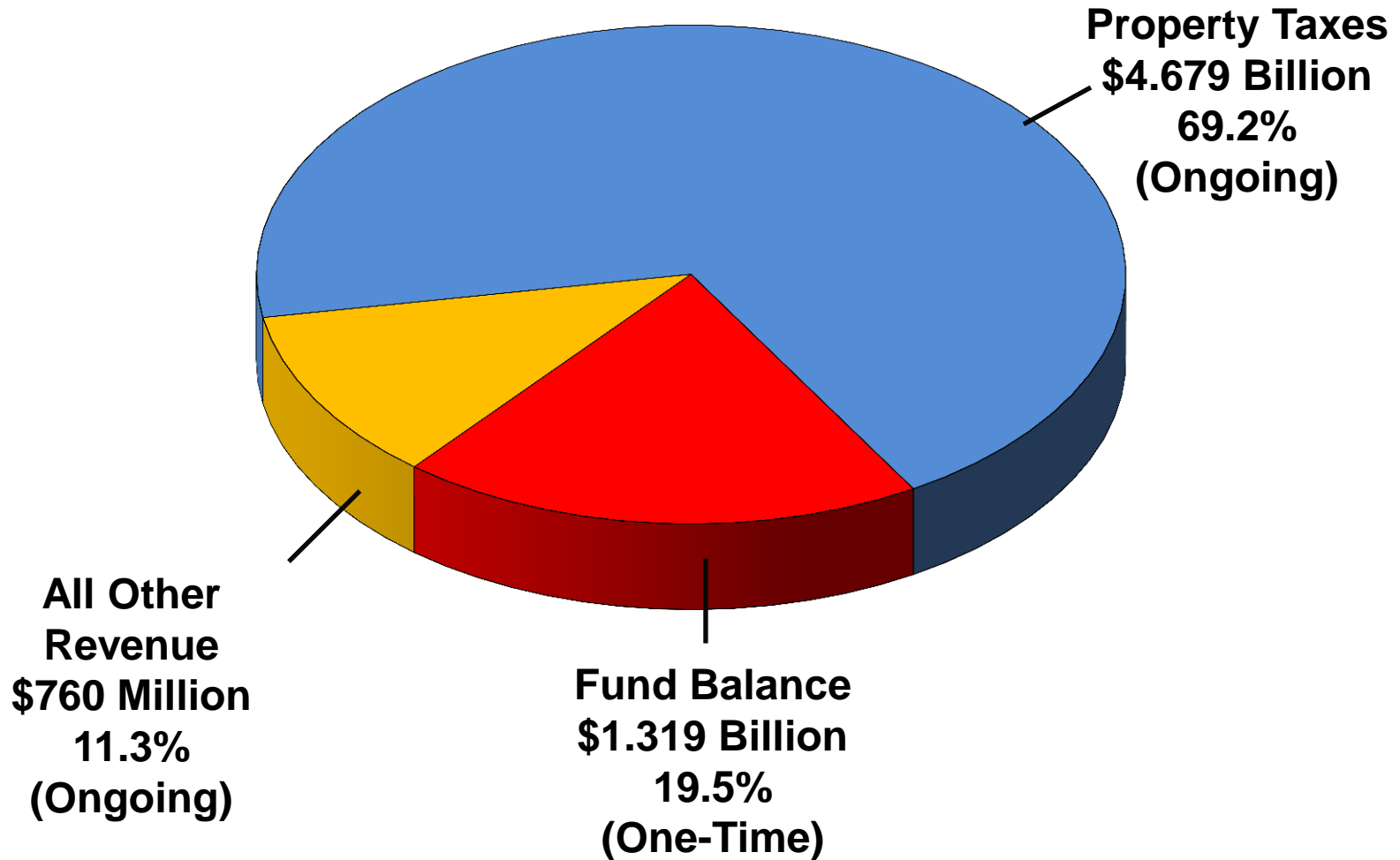
## \$26.923 Billion



# Locally Generated Revenues

(Used to Finance Net County Cost)

**\$6.758 Billion**

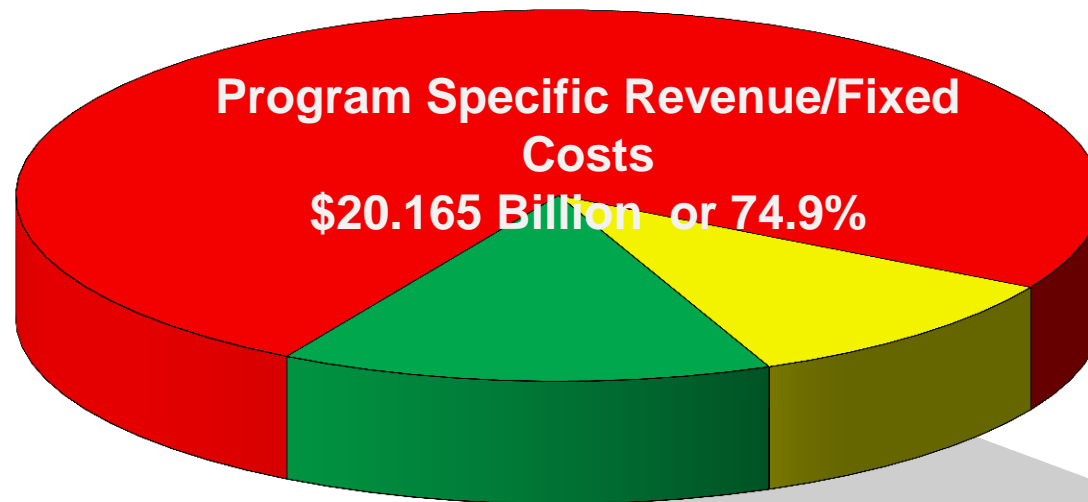


# Where do the Resources Go?

2015-16 Recommended Budget

\$26.923 Billion

Mandated vs. Discretionary Costs



Locally Generated Revenue (NCC)

\$6.758 Billion or 25.1%

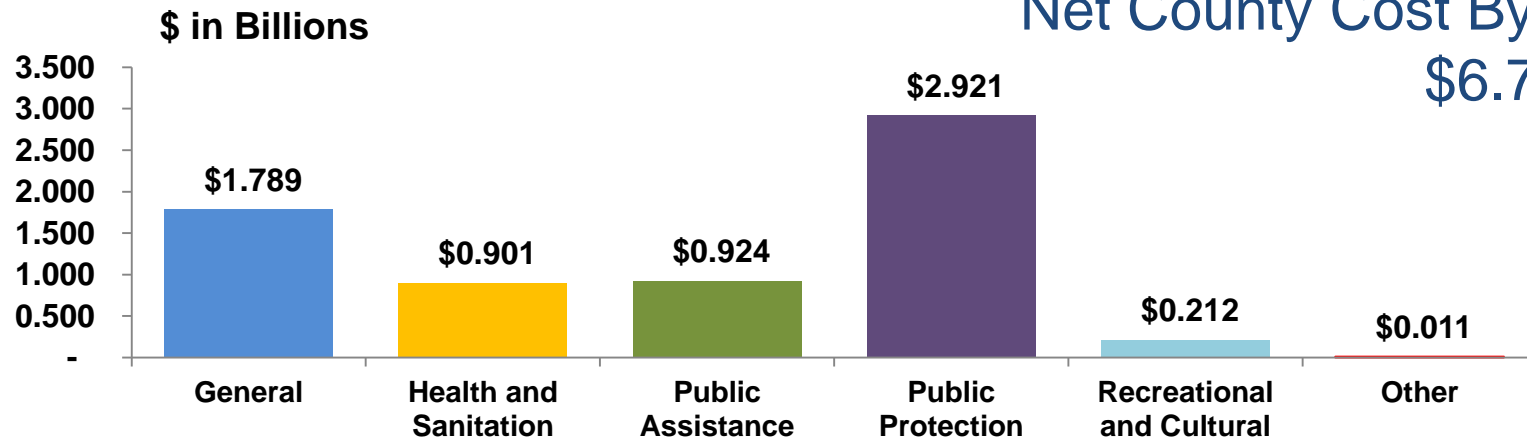
**Fixed Costs**  
**\$20.165 Billion or**  
**74.9%**

**Flexible Costs**  
**\$3.949 Billion or 14.7%**

**MOE & Mandatory Costs**  
**\$2.809 Billion or 10.4%**

# Net County Cost By Function

## \$6.758 Billion



General	
Assessor	104.0
Auditor-Controller	23.0
Auditor-Controller - eCAPS	16.1
Board of Supervisors	131.2
Chief Executive Officer	43.0
Chief Information Office	6.5
County Counsel	10.7
Capital Projects	505.4
Extraordinary Maintenance	165.0
Human Resources	16.6
Internal Services	18.0
Judgments and Damages	19.4
NDSA	207.0
Project and Facility Dev	43.5
Provisional Financing Uses	324.0
Public Works	27.2
Registrar-Recorder	64.0
Rent Expense	42.0
Treasurer and Tax Collector	22.8
Utilities	0.2
<b>Total</b>	<b>1,789</b>

Health and Sanitation	
Health Services	634.1
Mental Health	67.9
Provisional Financing Uses	3.7
Public Health	195.2
<b>Total</b>	<b>901</b>

Public Assistance	
DCFS - Administration	345.3
DCFS - Assistance Payments	51.2
CSS - Administration	19.7
CSS - Assistance	7.7
Homeless and Housing	40.7
Military and Veterans Affairs	3.8
Provisional Financing Uses	92.4
DPSS - Administration	104.1
DPSS - Assistance	258.9
<b>Total</b>	<b>924</b>

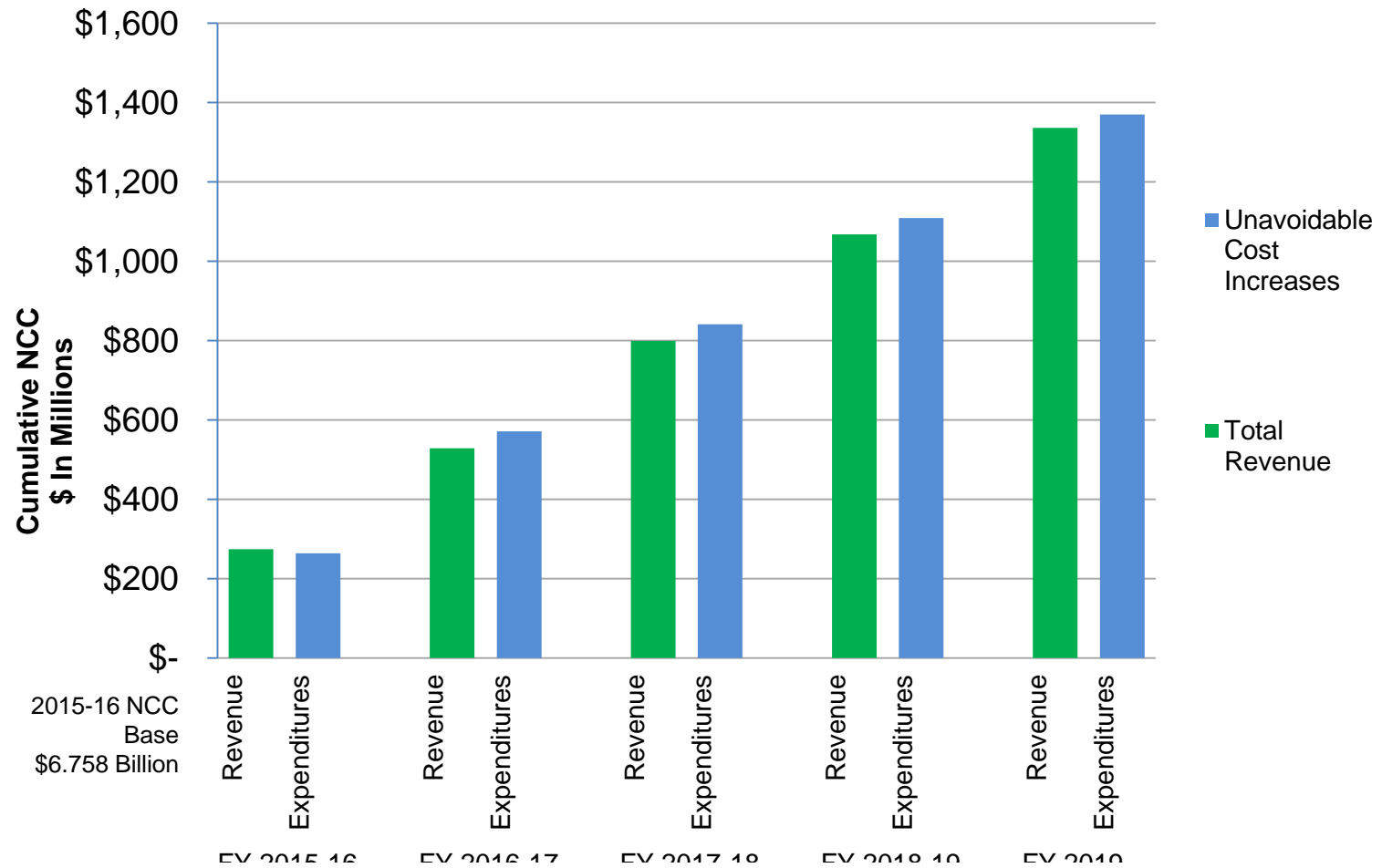
Public Protection	
Agricultural Commissioner	12.4
Alternate Public Defender	59.2
Animal Care and Control	25.0
Child Support Services	3.2
Community-Based Contracts	2.9
District Attorney	192.2
Emergency Preparedness	4.7
Fire Dept - Lifeguards	28.6
Grand Jury	1.8
LA-RICS	1.9
Probation	513.9
Provisional Financing Uses	148.6
Public Defender	195.3
Regional Planning	20.2
Sheriff	1,414
Superior Court	50.9
Trial Courts	205.8
Medical Examiner - Coroner	32.4
Consumer & Business Affairs	7.9
<b>Total</b>	<b>2,921</b>

Recreational and Cultural	
Arts Commission	9.5
Beaches and Harbors	(15.1)
Grand Park	3.8
La Plaza De Cultura Y Artes	2.5
Museum of Art	30.0
Museum of Natural History	19.9
Music Center	24.8
Parks and Recreation	132.4
Provisional Financing Uses	4.0
<b>Total</b>	<b>212</b>

Other	
GF - Financing Elements	11.0
<b>Total</b>	<b>11</b>

# NCC Multi-Year Forecast

(Cumulative Change Relative to FY 2014-15 Base)

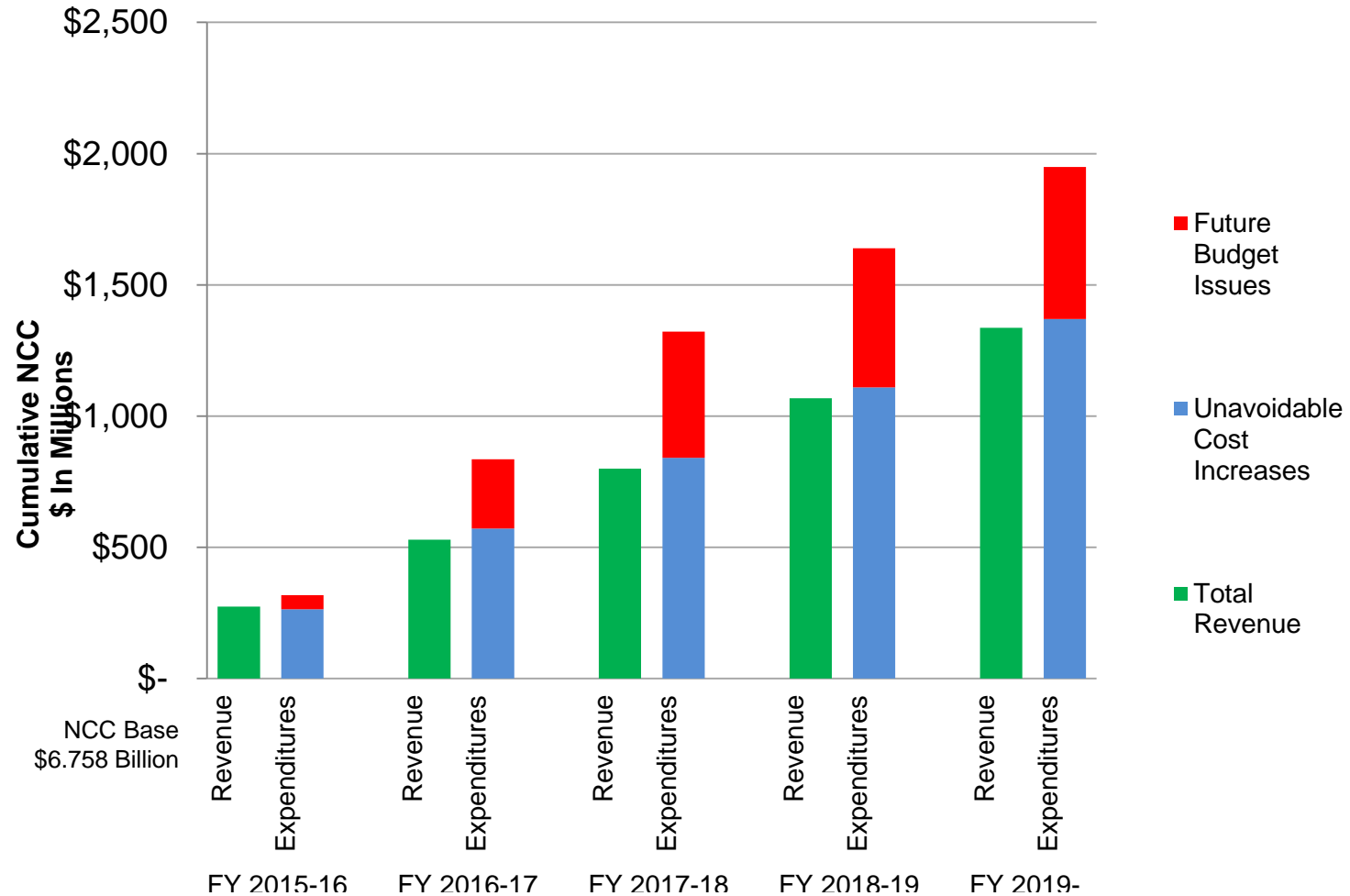


# Future Budget Issues

- ✓ Pre-Fund Retiree Health Benefits
- ✓ Consolidated Correctional Treatment Facility
- ✓ Minimum Wage
- ✓ Living Wage
- ✓ In-Home Supportive Services



# NCC Multi-Year Forecast Including Future Budget Issues



# Future Budget Issues

## Pre-Fund Retiree Health Benefits

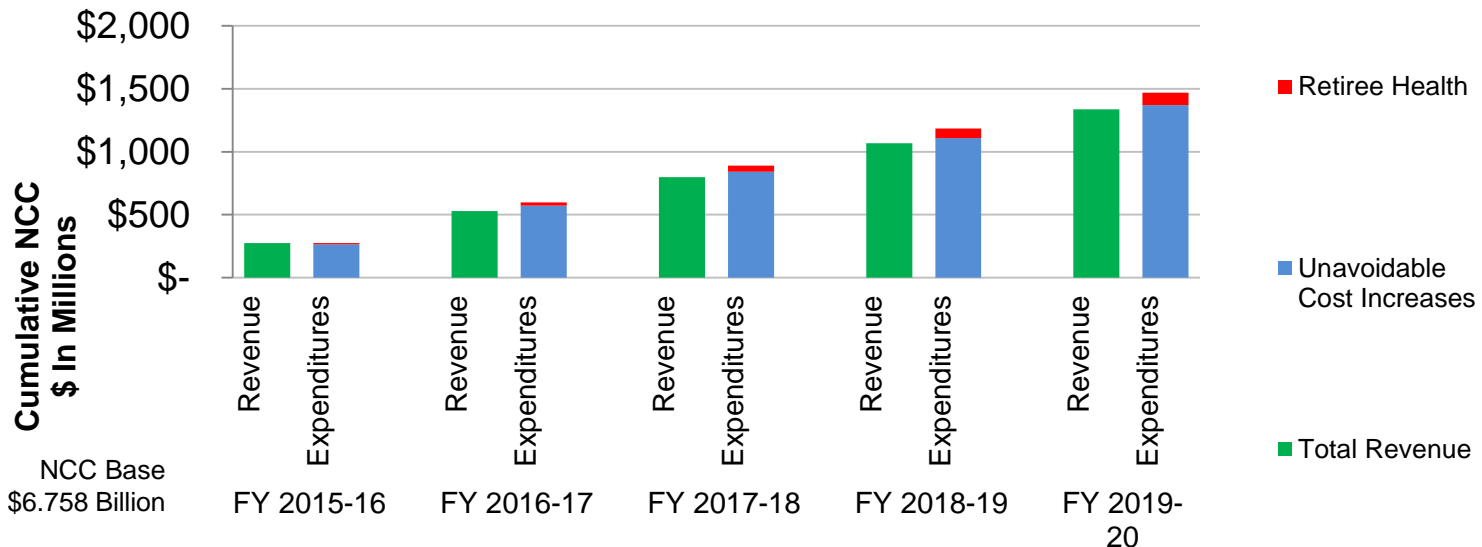
✓ **\$27 Billion Unfunded**

Liability

✓ Pay As You Go Cost - \$500 Million

✓ Annual Required Contribution - \$2.2 Billion

Fiscal Year	Cumulative NCC (In Millions)
2015-16	\$10
2016-17	\$25
2017-18	\$50
2018-19	\$75
2019-20	\$100



# Future Budget Issues

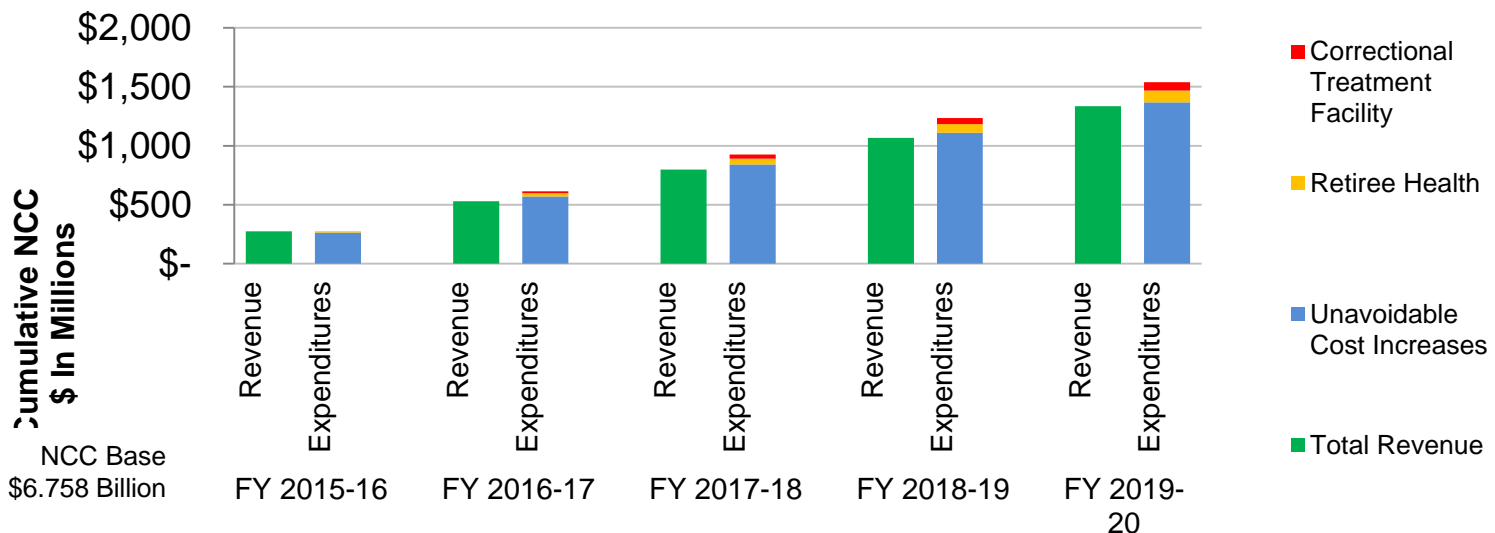
## Consolidated Correctional Treatment Facility

✓ \$1.8 Billion to \$2.0 Billion Plan

✓ \$110 Million to \$126 Million Annual Debt Service

✓ Debt Service Payments Start in 2021-22

Fiscal Year	Cumulative NCC (In Millions)
2015-16	\$0
2016-17	\$17
2017-18	\$34
2018-19	\$51
2019-20	\$68

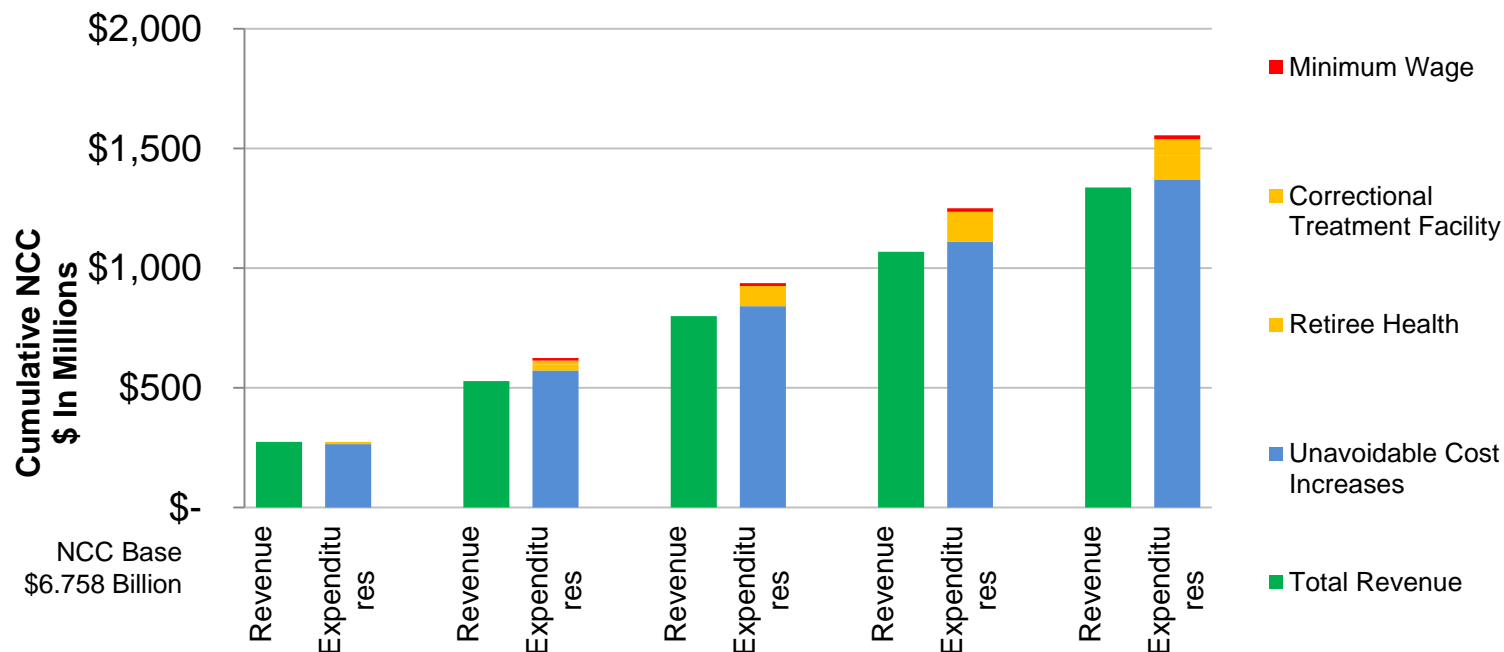


# Future Budget Issues

## Minimum Wage

Assumes Countywide implementation of the City of LA proposed minimum wage schedule

Fiscal Year (Hourly Rate)	2015-16	2016-17 (\$10.50)	2017-18 (\$12.00)	2018-19 (\$13.25)	2019-20 (\$14.25)
<b>Cumulative NCC (In Millions)</b>	<b>\$0</b>	<b>\$0.3</b>	<b>\$1.5</b>	<b>\$3.8</b>	<b>\$6.9</b>

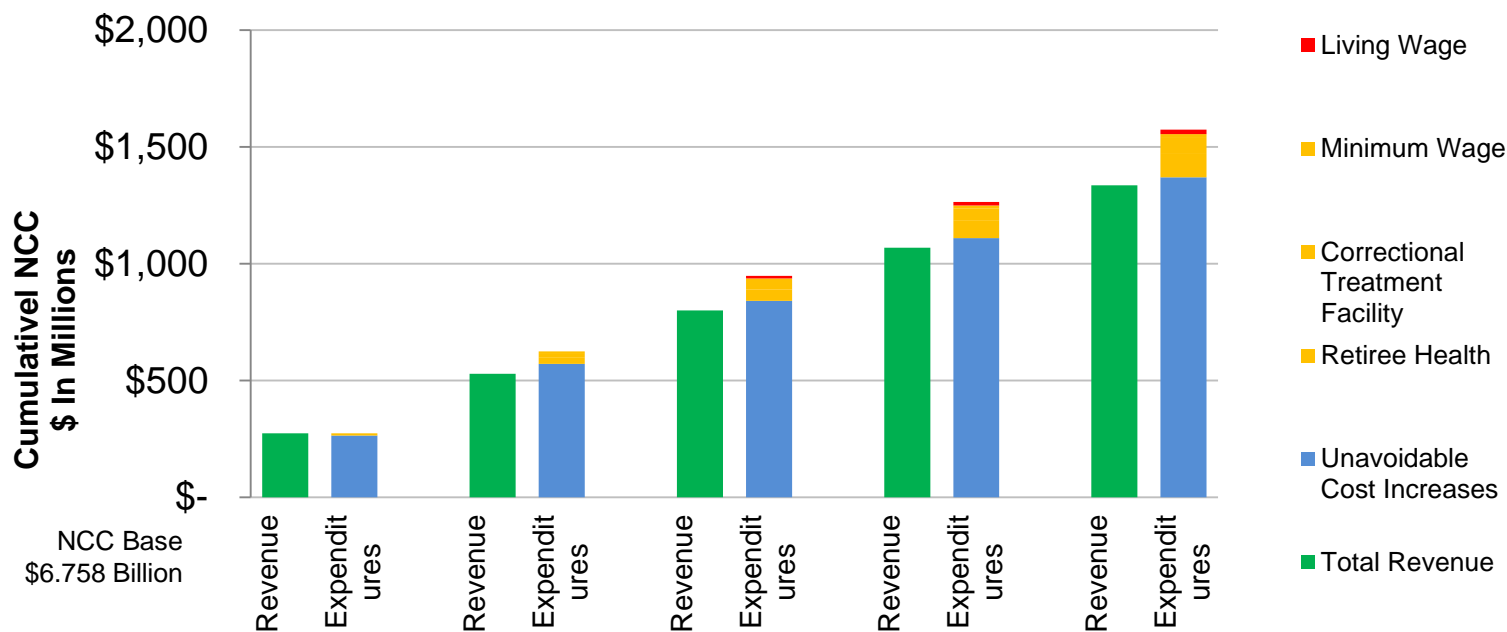


# Future Budget Issues

## Living Wage

Assumes Countywide implementation of the City of LA proposed minimum wage schedule

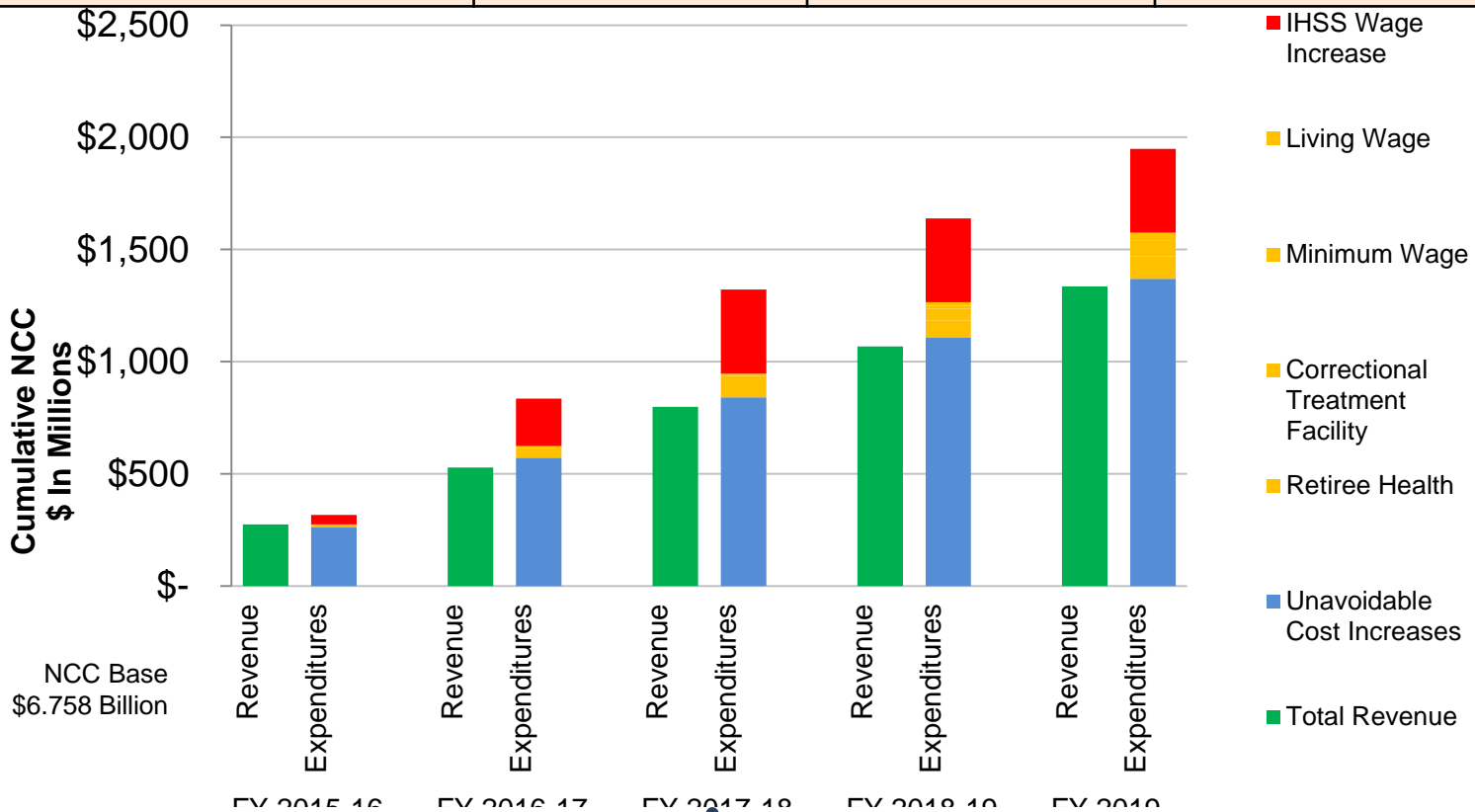
Fiscal Year (Hourly Rate)	2015-16	2016-17 (\$10.50)	2017-18 (\$12.00)	2018-19 (\$13.25)	2019-20 (\$14.25)
<b>Cumulative NCC (In Millions)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0.6</b>	<b>\$5.5</b>	<b>\$9.4</b>



# Future Budget Issues

## In-Home Supportive Services Wage Increase

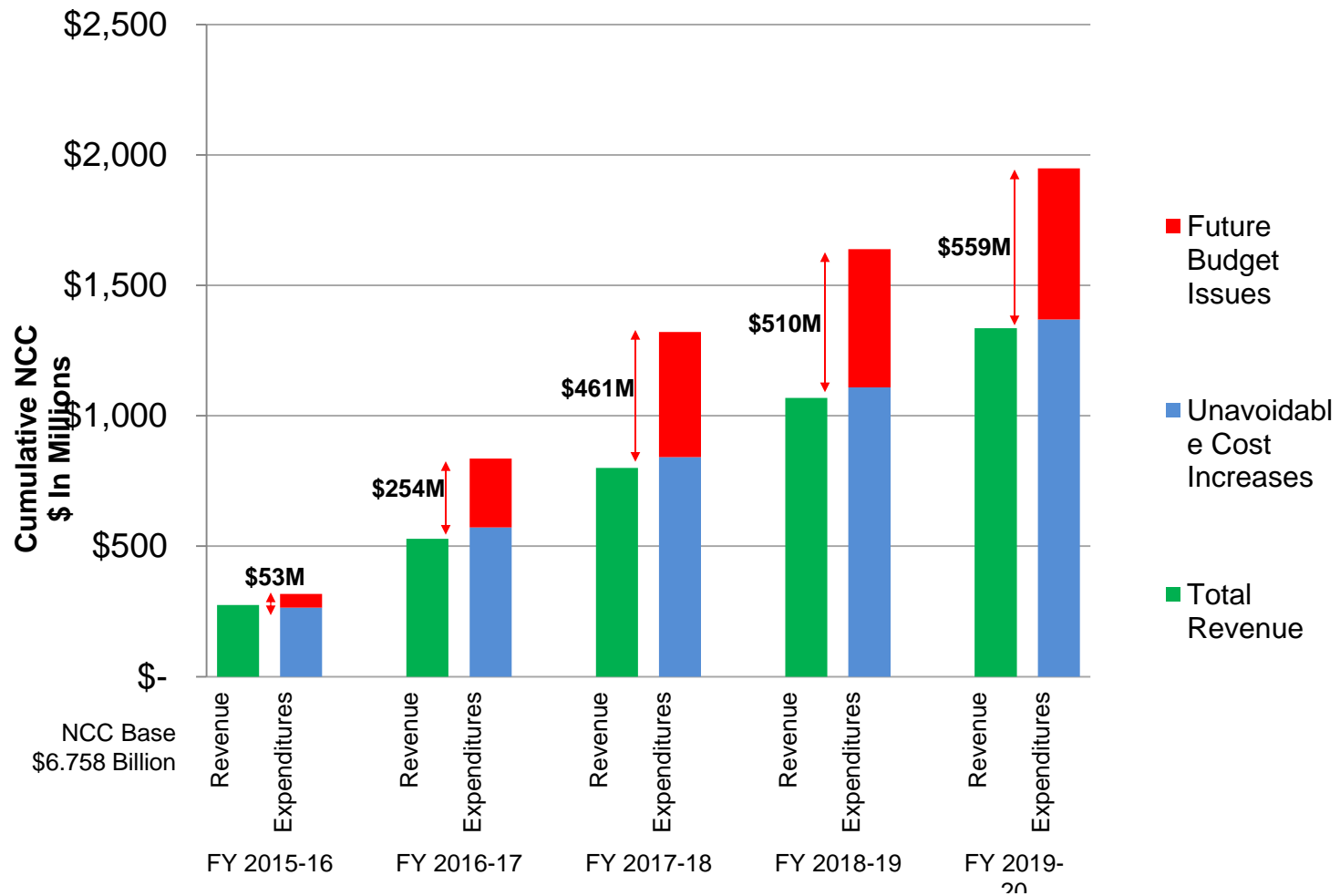
Hourly Wage Increase	2015-16 (\$11.18)	2016-17 (\$11.18 to \$13.25)	2017-18 (\$13.25 to \$15.25)
<b>Cumulative NCC (In Millions)</b>	<b>\$43.1</b>	<b>\$211.4</b>	<b>\$374.1</b>



# Future Budget Issues

- ✓ Unincorporated Area Stormwater
- ✓ Information Technology/Legacy Systems
- ✓ Deferred Maintenance
- ✓ County Facilities
- ✓ Diversion

# NCC Multi-Year Forecast Including Future Budget Issues





# Conclusion

- ✓ Budget decisions are guided by Board-adopted policies and priorities
- ✓ Future budget demands now under consideration will require difficult decisions on existing priorities and services
- ✓ The magnitude of potential expenditures requires a phased-in and balanced approach to ensure fiscal sustainability
- ✓ The CEO will work with the Board to maintain a balanced budget while preparing the county for future budget issues